

## **DETAILED ACTION**

### **Allowable Subject Matter**

1. Claims 1, 5, 15-24, 30-41, 43-55 are allowable over the prior art of record and has argued by Applicant's representative in their response 02/03/2010.
2. The following is a statement of reasons for indication of allowable subject matter. The prior art fails to teach, or suggest a computer-implemented method and corresponding system for managing a first entity's exposure to an economic risk associated with commodity, comprising the steps of periodically combining, by said at least one programmable processor, said cash flow data of said model portfolio and said hedging portfolio and calculating, by said at least one programmable processor, payout data based on a difference between said combined cash flow data and said benchmark cash flow data. (as recited in independent Claims 1, 24 and 39).

**Lange** (US Pub: No: 20020099640) discloses methods and systems for trading and investing in groups of demand-based adjustable return ("DBAR") contingent claims, including digital options, and for establishing markets and exchanges for such claims. The advantages of the present invention, as applied to the establishment and operation of a DBAR digital options exchange, include the ability to offer investments whose profit and loss scenarios are comparable to those for digital options or other derivatives in traditional securities markets, without the need for options or derivatives sellers or order-matching of conventional markets. A DBAR digital options exchange of the present invention can also offer conditional investments, or limit orders, in which an investment in a state of a DBAR contingent claim (such as the price of an underlying asset or index) can be executed or withdrawn in response to the implied probability of the occurrence of that state.

Neither this Publication, alone nor in combination with others, disclose nor teach the feature of "Forming, by at least one programmable processor, a model portfolio of said exposure, said model portfolio generating cash flow data, forming, by said at least one programmable processor, a hedging portfolio for said exposure, said hedging portfolio generating cash flow data, receiving, by said at least one programmable processor, benchmark cash flow data agreed to by

said first entity and a second entity, periodically combining, by said at least one programmable processor, said cash flow data of said model portfolio and said hedging portfolio and calculating, by said at least one programmable processor, payout data based on a difference between said combined cash flow data and said benchmark cash flow data; and outputting, by said at least one programmable processor, the payout data representing payments to be made between the first entity and the second entity"(as recited in independent Claims 1, 24 and 39).

**Sloan et al** (US Pub: No: 20050010510) discloses an automated coaching system for financial modeling and counseling system. The automated coaching system enables the user to analyze the user's investment portfolio and dispense context sensitive automated advice to the user based on the user inputted financial data, preferences and financial goals. The automated coaching provides its advice to the user in syntactically correct natural language coaching strings and is able to configure and recommend solutions and financial products, specific to the user's situation. Furthermore, the automated coaching system can analyses the impact of the recommended product on the user's financial model."

Neither this Publication, alone nor in combination with others, disclose nor teach the feature of "Forming, by at least one programmable processor, a model portfolio of said exposure, said model portfolio generating cash flow data, forming, by said at least one programmable processor, a hedging portfolio for said exposure, said hedging portfolio generating cash flow data, receiving, by said at least one programmable processor, benchmark cash flow data agreed to by said first entity and a second entity, periodically combining, by said at least one programmable processor, said cash flow data of said model portfolio and said hedging portfolio and calculating, by said at least one programmable processor, payout data based on a difference between said combined cash flow data and said benchmark cash flow data; and outputting, by said at least one programmable processor, the payout data representing payments to be made between the first entity and the second entity"(as recited in independent Claims 1, 24 and 39).

**SUCCESSFUL INVESTING: Losses, fuel costs continue to ground TWA stock**, *Andrew Leckey*. The Charleston Gazette. Charleston, W.V.: Nov 6, 2000. pg. 2.D, discloses ( Janus Fund has a new *portfolio* manager in Blaine Rollins, the former manager of Janus' Balanced and Equity Income funds, who took over in January. The previous manager, Jim

Craig, delivered stellar results for 13 years. Now *managing* a charitable foundation, Craig was the first departure since the Janus family was spun off from parent ①Kansas City Southern Industries into a new *entity* called Stilwell Financial.

"I'm apprehensive about putting new money to work in the Janus Fund until Blaine proves he can do the same thing that the previous manager did, since I've always felt *portfolio* management is more an art than a science," said Edward Foster, chief investment strategist with Fabian Investment Resources in Huntington Beach, Calif. "It's important for investors to understand the fund's volatility and see whether it fits their personal *risk* level."

Janus Fund's biggest industry holdings are multimedia, electronic components and semiconductors, cable TV and energy pipelines. Its top stock holdings were recently ①Cisco Systems, ①Comcast Special Class A, ①Enron, ①General Electric, ①Linear Technology, ①Maxim Integrated Products, ①Nokia, ①Texas Instruments, TimeWarner and ①Viacom.

Neither this non-patent literature, alone nor in combination with others, disclose nor teach the feature of "Forming, by at least one programmable processor, a model portfolio of said exposure, said model portfolio generating cash flow data, forming, by said at least one programmable processor, a hedging portfolio for said exposure, said hedging portfolio generating cash flow data, receiving, by said at least one programmable processor, benchmark cash flow data agreed to by said first entity and a second entity, periodically combining, by said at least one programmable processor, said cash flow data of said model portfolio and said hedging portfolio and calculating, by said at least one programmable processor, payout data based on a difference between said combined cash flow data and said benchmark cash flow data; and outputting, by said at least one programmable processor, the payout data representing payments to be made between the first entity and the second entity"(as recited in independent Claims 1, 24 and 39)".

### Conclusion

3. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Clement B. Graham whose telephone number is 571-272-6795. The examiner can normally be reached on 7am to 5pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Alexander Kalinowski can be reached on (571) 272-6771. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

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Art Unit 3691  
June 1, 2010

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